



OFFICE OF THE AUDITOR-CONTROLLER

David A. Houser, Auditor-Controller

25 County Center Drive Ste. 120
Oroville, California 95965

T: 530.538.7607
F: 530.538.7693

buttecounty.net/auditor

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David A. Houser
County of Butte
25 County Center Drive, Suite 120
Oroville, CA 95965

Greetings Citizens of Butte County,

The Butte County 2017-18 fiscal year budget was unanimously adopted by the Board of Supervisors on June 27, 2017. The 2016-17 fiscal year closed out with a fund balance carryover of \$14,857,164. The fund balance available at the final close, after all accounting adjustments for revenue and expenditures, was lower than the amount estimated in the final budget recommendation of \$17,910,439 providing for a decrease to the Appropriations for Contingencies of \$3,053,275 as directed by the Board of Supervisors. This fund balance maintains the existing General Reserve of \$8 million and reduces Budgeted Appropriations for Contingencies to \$4,446,725 for the 2017-18 fiscal year.

We look to the 2017-18 fiscal year as a year of addressing much needed major initiatives which continue to include the Jail Capacity Expansion Construction Project, the Neal Road Recycling and Waste Facility Module Expansion Project, Government Campus Infrastructure Improvements and the replacement of outdated IT network components as part of the Technology Upgrade Project.

The State is the source for significant amount of Butte County's revenues. The State and County are faced with retention and recruitment challenges. As a result, they have recently negotiated, much needed increased wages for the hardworking pool of public employees. State negotiated increases are often passed down to the County such as the costs for CAL FIRE. In an effort to meet these challenges the County has reduced its workforce yet still strives to maintain high level service to its citizens.

Butte County must continue to be prudent when utilizing our limited resources to meet the challenges of improving infrastructure, unfunded pension liabilities, deferred facility maintenance, health care costs, compensation for our employees, while maximizing services to our citizens.

Sincerely,

David A. Houser
Auditor-Controller